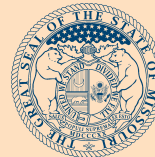


matter. Whether or not you pursue a complaint with this office, you may be referred to private counsel and/or arbitration.

- Please be advised that this office cannot represent you, as it must pursue the state's interest, which may or may not directly benefit you individually. If you choose to obtain private counsel, this office will cooperate with that individual to every extent possible.
- Arbitration is a lower cost alternative to litigation. Arbitration booklets are available from the National Association of Securities Dealers, 12 Wyandotte Plaza, 120 West 12th Street, Suite 900, Kansas City, MO 64105, phone (800) 289-9999 or [www.nasd.com](http://www.nasd.com).



Robin Carnahan  
Secretary of State



If you have questions or wish to request free informational guides for investing, contact:

Missouri Secretary of State  
Securities Division  
600 West Main Street  
PO Box 1276  
Jefferson City, MO 65102  
573-751-4704

Investor Protection Hotline  
(800) 721-7996

[www.sos.mo.gov/securities/](http://www.sos.mo.gov/securities/)

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(07-06)

# About the Missouri Securities Division

*with information on how  
to file a complaint*



Robin Carnahan  
Secretary of State

The Secretary of State's Office is responsible for ensuring compliance with state securities laws through the Securities Division. This responsibility includes enforcement of the law when violations occur, and the regulation of investment sales through registration of securities, broker-dealers, agents, investment advisers and investment adviser representatives. State securities laws are often referred to as the "Blue Sky Law" and are intended to protect investors from fraudulent investment schemes.

## What is a Security?

Securities are stocks and bonds, limited partnerships in real estate, oil and gas offerings, investment contracts, or an investment in a common enterprise with an expectation of profit to be derived from the managerial efforts of others. Almost any sort of profit-making venture that depends on the efforts of the seller to realize a profit could be a security and may need to be registered or exempt.

## Registration of Brokers and Advisers

The registration section regulates the activities of broker-dealers, agents, investment advisers, and investment adviser representatives. Members of the registration staff register approximately 1,700 broker-dealers, 93,000 agents, 1,100 investment advisers and 4,000 investment adviser representatives annually. After review, the registration section may register the applicant or refer the matter to the enforce-

ment section, which may request that the commissioner of securities deny, suspend, or revoke an individual's or a firm's registration.

## Securities Registrations

The registration section reviews applications to register securities under a "merit review." This review is intended to assist issuers in making full disclosure of important information, as well as determining if the offering is "fair, just and equitable." The staff also reviews claims of exemption from registration.

## Enforcement

The enforcement section receives and investigates complaints from Missouri investors. These investigations involve alleged violations of the registration and antifraud provisions of the securities law. Each year the staff receives more than 400 complaints from investors. These investigations may result in administrative actions before the commissioner of securities or court orders that prohibit further violations of the law. As part of civil enforcement, the secretary of state can seek civil penalties, victim restitution and an award for the state's investor education fund. In addition, the commissioner of securities may refer matters for criminal prosecution to local prosecutors, the attorney general, or the U.S. attorney. The audit unit performs unannounced examinations of broker-dealers and investment advisers to make sure that both the firms and their employees are in compliance with Missouri securities laws.

## How to file a complaint with the Securities Division

1. Obtain a complaint form from the Securities division by logging on to [www.sos.mo.gov/securities/complaint\\_form.pdf](http://www.sos.mo.gov/securities/complaint_form.pdf) or by calling the toll-free Investor Protection Hotline at 1-800-721-7996.
2. Please answer each question on this form. If a question does not apply to your particular situation, please fill in "n/a" (not applicable).
3. Be as concise and as specific as possible when answering the questions. Present the events in the order in which they happened, using dates whenever possible.
4. Please include all facts. Exact names, addresses and telephone numbers of those involved should be included if possible.
5. Be sure to send copies of any documents concerning your investment that were given to you by the company or individual involved or that you may have obtained from another source. Keep the originals for your files.

## Once a Complaint is Received by the Securities Division

- An attorney with the division will evaluate the information you have provided. The division may open an investigation and assign the matter to an investigator, or make other attempts to resolve the